

OCPERIODICAL

Office of Compensation and Policy

Statewide Pay Action Summary Report October - December 2002

Pay Action	# Actions	# Pay Adjustments	Ave. % Adjustment
Promotions	202	197	14.10%
Demotion – Voluntary	29	16	-8.90%
Demotion – Disciplinary	5	5	-5.48%
Demotion – Performance	0	0	-
Role Change – Upward	120	78	9.72%
Role Change – Lateral	230	21	4.77%
Role Change – Downward	19	0	-
Voluntary Transfer – Competitive	496	276	9.33%
Voluntary Transfer - Non-Competitive	177	9	-1.67%
Temporary Pay Increase/Acting Pay	75	75	12.47%
Temporary Pay Decrease	88	88	-6.25%
Competitive Salary Offer	23	23	11.79%
Reassignment within Band	15	0	-
IBA – Change in Duties Increase	111	111	7.97%
IBA – Change in Duties Decrease	45	45	-5.32%
IBA – New KSA's/Competencies	258	258	8.85%
IBA – Retention	66	66	6.58%
IBA – Internal Alignment Increase	377	377	7.23%
Bonus – Change in Duties	3	3	3.96%
Bonus – Internal Alignment	0	0	-
Bonus – New KSA's/Competencies	0	0	-
Bonus – Retention	1	1	6.01%
Bonus – Recognition, Monetary	135	135	0.47%
Bonus – Referral	6	6	0.99%
Bonus – Sign-On	10	10	1.51%
Bonus – Recognition Leave	108	-	-
Overall Approximate Totals	2,599	1,800	3.91%

The average pay increase was 7.05%. The average pay decrease was –5.52%.

Note: UVA pay data is not included in this quarter's report.



Policy Guide

Related to Layoff . . .

Employees sometimes consider withdrawing their Virginia Retirement System (VRS) contributions when they are placed on Leave Without Pay – Layoff status. Agencies should inform employees that withdrawal of these contributions is considered resignation. The individual who does so has severed all employment-related ties with the Commonwealth. All benefits, including Layoff and Severance benefits, are stopped, and all service credits for retirement are lost.

Therefore, agencies should require the employee to submit a written letter of resignation before they process the VRS Refund Request Form. Such a letter may help an employee realize the meaning of the step he is taking, and it could provide valuable documentation for the agency if problems arise later.

Agency HR Officers should ensure that their payroll and benefits staffs do not certify the VRS Refund Request Form unless authorized by Human Resources.

Retirement Boomerang

The practice of bringing retired employees back to work for the state can seem like a good way to retain key expertise. But there are pitfalls.

The IRS requires that there be a reasonable break in service before a former employee returns to work. The state is considered a single employer; therefore, an employee who retires from one agency and goes to work for another agency is subject to the restrictions as well as one who returns to his previous agency. Here are some guidelines developed by the Virginia Retirement System to help agencies comply with the IRS requirements:

- The person must be off the payroll for some period of time; a minimum of 30 days is suggested.
- There is no pre-arranged commitment between the employer and the individual.
- Some or all duties of the new job are different from the duties the person performed before retirement.
- The employment period is not open-ended; the person and employment situation should be re-evaluated every six months.

Failure to show a good-faith effort to comply with these guidelines can result in stiff penalties for the employer.

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From the Virginia Employment Commission: Unemployment Insurance

When employees apply for benefits through Unemployment Insurance (UI), their agencies are asked to complete the Employer's Report of Separation and Wage Information. The Virginia Employment Commission (VEC) has recently issued the following guidance to help with this form.

Question 6: For employees eligible for severance benefits, the agency should check "YES" in response to the first question (Will the claimant receive severance . . .?). On the first line under this check box (If yes, enter type . . .), the agency should write in "WTA" and for Total Amount of Payment, enter the total amount of the severance payments. The next three lines should be completed based on the employee's pay and work schedule. In the final check box for Question 6 (Is the Lump Sum Payment Allocated . . .?), the agency should check "YES."

Completing the form in this manner will enable the employee to receive any benefit to which he or she may be entitled, and it will help ensure that all state employees on leave without pay-layoff who apply for UI benefits will be treated similarly.

Employees facing layoff need to be aware that the VEC may review pre-layoff placement options as part of their process for determining employee eligibility for UI benefits.

The Performance Review Meeting

Policy 1.40, Performance Planning and Evaluation, does not specify whether other parties may be present at the performance review meeting in addition to the employee and supervisor/evaluator.

However, longstanding practice in most agencies has established that only the employee and the supervisor should attend this meeting. In order to have the kind of open and honest exchange of information that is vital to the performance management process, it is important that the privacy of the meeting be maintained. In most cases, no third party should be brought into this meeting. If unusual and important concerns require the presence of a third party, a Human Resource professional should attend.

Statewide Severance Costs – Classified Employees
July 1, 2002 to December 31, 2002

Total number of employees eligible for severance:	582
Number taking enhanced retirement:	113
Number taking severance pay:	469

Total Cost:	\$10,451,447
Retirement Credit Cost:	\$ 4,177,906
Severance Pay Cost:	\$ 6,273,541

Total Salaries:	\$19,973,215
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DHRM computed the estimates by first comparing a listing of employees who were laid off, and were eligible for severance, between 7/1/02 and 12/31/02 with those employees' salaries, service dates, and health insurance plans. Costs and savings were estimated using an Excel database developed by DBP. Employees who took enhanced retirement were assumed to be 50 years of age or older. Employees who were granted severance pay were assumed to be under age 50.

The costs do not include leave payments or FICA associated with leave payments. FICA associated with severance pay is included. Severance pay includes the cost of the employees' health insurance premiums, which are paid for one year by the employees' agencies. The dollar amounts shown are based on employees' entitlements under current policies. Actual payouts may be reduced if some employees are recalled. Some of the costs will likely be incurred after the beginning of the next fiscal year.

Total salaries of \$19,973,215 represent the annualized savings that will result from laying off the 582 employees. Additional savings will be realized through FICA savings- estimated at \$1,527,951- for total savings of \$21,501,166. The net savings are computed as total salaries, including FICA (\$21,501,166) less total severance costs (\$10,451,447), or \$11,049,719.

Layoff Statistics - Statewide

July 1, 2002 to December 31, 2002

<u>Transaction Code</u>	<u>Description</u>	<u>Month</u>	<u>Count</u>
PSE017	Transfer In Lieu of Layoff	Aug	1
PSE017	Transfer In Lieu of Layoff	Oct	15
PSE017	Transfer In Lieu of Layoff	Nov	51
PSE017	Transfer In Lieu of Layoff	Dec	135
PSE017	Transaction Total		202
PSE049	Demotion In Lieu Of Layoff	July	2
PSE049	Demotion In Lieu Of Layoff	Sept	3
PSE049	Demotion In Lieu Of Layoff	Oct	8
PSE049	Demotion In Lieu Of Layoff	Nov	17
PSE049	Demotion In Lieu Of Layoff	Dec	91
PSE049	Transaction Total		121
PSE111	Enhanced Retirement	July	3

PSE111	Enhanced Retirement	Aug	1
PSE111	Enhanced Retirement	Sept	2
PSE111	Enhanced Retirement	Oct	38
PSE111	Enhanced Retirement	Nov	39
PSE111	Enhanced Retirement	Dec	30
PSE111	Transaction Total		113
PSE115	Separation: Layoff Leave Expired	July	2
PSE115	Separation: Layoff Leave Expired	Nov	1
PSE115	Transaction Total		3
PSE118	Retire In Lieu of Layoff	Dec	1
PSE118	Transaction Total		1
PSE128-128 ¹	Leave Without Pay - Layoff	July	40
PSE128-128	Leave Without Pay - Layoff	Aug	7
PSE128-128	Leave Without Pay - Layoff	Sept	6
PSE128-128	Transaction Total		53
PSE128-820	Layoff: Placement Only	Nov	1
PSE128-820	Transaction Total		1
PSE128-821	Layoff: Severance & Placement	Sept	1
PSE128-821	Layoff: Severance & Placement	Oct	9
PSE128-821	Layoff: Severance & Placement	Nov	67
PSE128-821	Layoff: Severance & Placement	Dec	31
PSE128-821	Transaction Total		108
PSE128-822	Layoff: Severance & Service Retirement	Oct	1
PSE128-822	Layoff: Severance & Service Retirement	Nov	3
PSE128-822	Layoff: Severance & Service Retirement	Dec	1
PSE128-822	Transaction Total		5
PSE128-823	Layoff: Severance Only	Oct	61
PSE128-823	Layoff: Severance Only	Nov	192
PSE128-823	Layoff: Severance Only	Dec	50
PSE128-823	Transaction Total		303
PSE128-824	Layoff: TWFR - Reduced Hours	Nov	91
PSE128-824	Transaction Total		91

¹ PSE128-128 transactions represent layoffs that were keyed prior to the availability of more detailed layoff transaction codes.

PSE128-825	Layoff: TWFR Unpaid	Oct	1
PSE128-825	Transaction Total		1
PSE129	Separation: Layoff	July	4
PSE129	Separation: Layoff	Sept	3
PSE129	Separation: Layoff	Oct	4
PSE129	Separation: Layoff	Nov	3
PSE129	Separation: Layoff	Dec	15
PSE129	Transaction Total		29
Grand Total			1035

Work Force Demographics – Classified Employees January 2003

Total Number of Employees – 71,551

SALARY	MEAN	\$34,543	
	MEDIAN	\$31,231	
	Q1-Q3	\$25557-\$40071	
BAND	1	2855	3.99%
	2	12435	17.38%
	3 (MEDIAN)	24553	34.32%
	4	17380	24.29%
	5	10684	14.93%
	6	3043	4.25%
	7	389	0.54%
	8	198	0.28%
	9	14	0.02%
RACE	WHITE	49223	68.84%
	BLACK	20282	28.37%
	HISPANIC	732	1.02%
	ASIAN	1101	1.54%
	NATIVE	164	0.23%
	(Missing)	49	
SEX	FEMALE	37500	52.41%
	MALE	34051	47.59%
AGE	25 AND UNDER	2596	3.6%
	26-30	5088	7.1%
	31-35	7167	10.0%
	36-40	8949	12.5%
	41-45	11100	15.5%
	46-50	13055	18.2%
	51-55	11805	16.5%
	56-60	7774	10.9%
	61-65	3208	4.5%

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	66 AND OVER	809	1.1%
	MEAN	45.0 Years	
	MEDIAN	46.0 Years	
EEO CATEGORY			
	MANAGERS	4601	6.4%
	PROFESSIONALS	20341	28.4%
	TECHNICIANS	5509	7.7%
	PROTECTIVE SERVICE	11019	15.4%
	PARAPROFESSIONAL	11867	16.6%
	CLERICAL	7227	10.1%
	SKILLED CRAFTS	7354	10.3%
	SERVICE	3633	5.1%
SERVICE			
	MEAN	11.7 Years	
	MEDIAN	9.0 Years	
	0-4 YRS	23518	32.9%
	5-9	13034	18.2%
	10-14	10404	14.5%
	15-19	8435	11.8%
	20-24	6105	8.5%
	25-29	6124	8.6%
	30-34	2833	4.0%
	35 AND OVER	1098	1.5%
	HIGHEST	56 Years	
LOCATION			
	NOVA	5401	7.5%
	RICHMOND	20844	29.1%
	TIDEWATER	8418	11.8%
	CHARLOTTESVILLE	4153	5.8%
	ROANOKE	5592	7.8%
	OTHER	27143	37.9%

Our goal is to provide practical information that supports human resource objectives across the Commonwealth and to encourage innovative strategies in the management and delivery of agency services.

To tell us what you would like to see featured in upcoming issues email us at compensation@dhrm.state.va.us or policy@dhrm.state.va.us

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